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# Intelligence agency probed

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WASHINGTON — If Christopher Boyce and Andrew Daulton, Lee the two Californians convicted of spying for the Soviet Union, are the Falcon and the Snowman as lionized in a recent book, then Edwin P. Wilson and Francis E. Terpil, the fugitive cloak-and-dagger tycoons, may well be the Eagle and the Knave.

The case of Wilson and Terpil, two former CIA agents indicted here 18 months ago in connection with an elaborate scheme to provide explosives and terrorist training for Libya, is symptomatic of what many Washington officials have begun to view as a growing national problem: the proliferation of former military and intelligence officials who trade on officially acquired skills, secrets and contacts to carve out highly prosperous, if morally dubious, niches for themselves in the private sector — often by dealing with avowed enemies of the United States, like Libya.

Until recently, at least, Wilson and Terpil were able to parlay a subtle mixture of intrigue, force, deception and business acumen into an ability to make enormous amounts of money. Their case may be an extreme example, but federal officials say that the investigation into the two men's activities has triggered collateral probes into the affairs of other retired, public-sector renegades.

The dimensions of the problem are difficult to gauge, but officials believe it is extensive. In a report on the Wilson-Terpil case, two agents from the US Bureau of Alcohol, Tobacco and Firearms (BATF) concluded: "The United States, in effect, has become a major supplier of [military] hardware and technology in support of worldwide terrorism. Former Central Intelligence Agency personnel, military Special Forces personnel and US corporations combine to supply products

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employees of record in the federal "intelligence community" at 148,000. Officials believe that this talent pool, which does not include thousands more who work on a contract basis, constitutes a dangerous nucleus for the potential pursuit of private skulduggery.

It is the Wilson-Terpil case that is serving as the springboard for a reform movement to rein in the renegades. Though government has been slow to respond — the FBI and the CIA were informed of the pair's Libyan dealings in 1976, four years before they were indicted — there is now every indication that Washington officials, prodded by growing press attention, intend to make the case something of a cause celebre.

On Sept. 17, the House Select Committee on Intelligence announced that it was conducting an investigation of Wilson's and Terpil's doings that would likely result in full-scale hearings. The following week, the Justice Department formed a special task force to coordinate the ongoing investigation, which involves six FBI field offices, three US Attorneys' offices, the BATF and the US Customs Service. A federal grand jury is expected to hand down more indictments in the case.

Last week, the Senate Intelligence Committee, upstaged by its counterpart in the House, heard closed-door testimony on the case from Deputy CIA Director Bobby Ray Inman and from Mark M. Richard, the deputy assistant attorney general in the Justice Department's criminal division, who is in charge of the task force.

A spokesman for the Senate committee said last Friday that Sen. John H. Chafee (R-R.I.) would convene a hearing on Oct. 23 to pursue the question of how many people besides Wilson and Terpil could be considered foreign agents.

The White House has also become involved. National Security Adviser Richard V. Allen recently held a meeting with key prosecution witness Kevin P. Mulcahy, a former CIA intelligence analyst and Wilson-Terpil business associate who originally tipped authorities to his cohorts' activities in 1976. Mulcahy has accused the government of foot-dragging, but he now says he was assured by Allen that authorities view the case as important.

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